



General Assembly

February Session, 2014

Raised Bill No. 265

LCO No. 1701



Referred to Committee on PLANNING AND DEVELOPMENT

Introduced by:
(PD)

AN ACT CONCERNING LIMITS ON FLOOD INSURANCE POLICIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-757 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2014*):

3 No mortgage lender shall, in connection with any application for a
4 mortgage loan in this state [which] that is secured by mortgage on
5 residential real estate located in this state, require (1) any prospective
6 mortgagor to obtain by purchase or otherwise a fire insurance policy,
7 [flood insurance policy,] other extended coverage policy [,] or any
8 combination thereof, in excess of the replacement value of the covered
9 premises as a condition for the granting of such mortgage, or (2) any
10 prospective or existing mortgagor to obtain by purchase or otherwise a
11 flood insurance policy in excess of the amount of the mortgage loan.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2014	36a-757
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Statement of Purpose:

To prohibit mortgage lenders from requiring homeowners to obtain flood insurance coverage in excess of the amount of the mortgage loan.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]